

UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY

UNITED STATES OF AMERICA : Hon. Dennis M. Cavanaugh
v. : Criminal No. 08-____
MORTON SALKIND : 26 U.S.C. §§ 7201
18 U.S.C. § 2

INFORMATION

The defendant having waived in open court prosecution by indictment, the United States Attorney for the District of New Jersey charges:

1. At all times relevant to this Information:

a. Fox Development, Inc. ("Fox Development") was a New Jersey corporation established to develop and build Fox Hills, a senior residential community in Rockaway, New Jersey (the "Project"). Construction of the Project began at least as early as 1997, and sales of town homes at the Project occurred between in or about 1999 and in or about 2004.

b. Defendant MORTON SALKIND, a resident of New Jersey and Florida, was the Vice President, Secretary, and Treasurer of Fox Development. Defendant MORTON SALKIND was solely responsible for the day-to-day operations at Fox Development, including the payment of expenses related to the Project and the oversight of Fox Development's accounting functions.

c. Fox Development was required by law to file annually with the Internal Revenue Service ("IRS") a United

States Corporation Income Tax Return, Form 1120, which reported Fox Development's net income. Fox Development was also required to pay taxes to the IRS based upon any net income reported.

2. During Fox Development's fiscal tax year ending August 2001 ("FY 2001"), defendant MORTON SALKIND knowingly made false accounting entries in Fox Development's financial books and records ("the False Accounting Entries"). The False Accounting Entries, among other things, overstated the expenses that Fox Development had incurred in constructing the Project by:

a. indicating that Fox Development had issued checks to pay for Project development expenses totaling \$5.6 million, when in fact Fox Development never issued these checks; and

b. inflating amounts Fox Development spent on legitimate Project expenses by approximately \$136,000.

3. As a result of the False Accounting Entries that defendant MORTON SALKIND made, Fox Development's financial books and records overstated Fox Development's expenses for FY 2001 by approximately \$5.7 million. This overstatement of expenses resulted in a corresponding understatement of Fox Development's net income for the same period.

4. On or about June 7, 2002, defendant MORTON SALKIND caused Fox Development to file a false and fraudulent U.S. Corporation Income Tax Return, Form 1120. At the time the return was filed, defendant MORTON SALKIND knew and believed that the

tax return failed to disclose and report approximately \$813,000 in taxable income, upon which income tax of approximately \$276,000 was due and owing to the United States.

5. On or about June 7, 2002, in the District of New Jersey and elsewhere, defendant

MORTON SALKIND

did knowingly and willfully attempt to evade and defeat an income tax due and owing to the United States by Fox Development, Inc., by causing to be filed with the Internal Revenue Service a false and fraudulent U.S. Corporation Income Tax Return, Form 1120, as described in paragraph 4 of this Information, knowing it to be false and fraudulent as to material matters, as described in paragraphs 2 through 3 of this Information.

In violation of Title 26, United States Code, Section 7201, and Title 18, United States Code, Section 2.

CHRISTOPHER J. CHRISTIE
United States Attorney